

Bank Reserves (31/10/19) and Projected Reserves (31/3/20)

Current Account Reserves (Agreed with Bank 31/10/19)	11765
Deposit Account Reserves (Agreed with Bank 31/10/19)	<u>15258</u>
Total Bank Reserves	27023 *

Expected Income (1/11/19 to 31/3/20)	2227
Expected Expense (1/11/19 to 31/3/20)	<u>7010</u>
Expected Deficit	(4783) ^

Total Reserves at Bank (31/10/19)	27023 *
Expected Deficit (1/11/19 to 31/3/20)	(4783) ^
Unapproved Lights – Replacement Heads 8 x £300, Ins, Maint and Electricity (£680) + (£2400)	<u>(3080)</u>
Total Reserves Projected (31/3/20)	19160

Preliminary Budget 2020/21 (as agreed for recommendation on 20th Nov 2019)

Income

Precept	13350
Fishing Permits	350
Recycling Credits	450
Vat Recovery	750
Rents	1850
Wayleave	35
Footway Grant*	1633
Total	<u>18418</u>

= Recommendation by committee (+£1500)

= * Grant from Eden DC (3rd tranche out of 4)

Expenditure

Salaries ^^	7000
Staff Expenses	800
Local Grants	2899
Subscriptions	270
Training	250
Maintenance	700
Operating Costs^	5000
Capital/Projects	0
Misc Exp	200
Footway Exp*	3050
Parish Trees	1200
Coronation Gdns	500
Play Area	
Land Registration	500

= ^^ Salaries :- includes annual pay rise

= Recommended allocation

^ Operating Costs :- 2500(Projected) + Lazonby Pool Service Agreement limit 2500 = 5000.

* Includes approved and unapproved, VAT, all costs.
= Predominantly at Old School/Will Pool

= Uncertainties prevail thus based on previous budgets

Total 22369

Total Income 2020/21	18418
Total Expenditure 2020/21	<u>22369</u>
Total Deficit 2020/21	(3951)

Projected Reserves @31/3/20	19160
Preliminary Budget Deficit 2020/21	<u>(3951)</u>
Total Reserves Expected 31/3/21	<u>15209</u>

Precept Options (Advisory before any recommendations)

The reductions in the grants from Eden DC for approved Footway Lights until 2022 offer no respite in avoiding further Precept increases. As of yet no definite details of implementing the unapproved lights have surfaced from Eden DC and therefore remain pending on the Budget. The other budgeted items remain similar although receipts will probably fall slightly with Fishing Permits and Recycling Credits. The future business activities of Croglin Ltd will impact significantly with rents also. Parish Grants will fluctuate each year and will have an affect on future Precepts once the Footway Lights program/grants has been completed.

In my view the options available are based on the assumption of a 100% Parish Grant Application

- 1 To increase again by £1500 to cover the next tranche for the Footway Lights and review next year and soak up the outflow from the Grant Applications (£5599) from Reserves. Reserves will increase to £13209 in 2021.

If I may draw your attention to **Paragraph 3.4** of the Financial Regulations stipulating a contingency Reserve of £10k held at financial yearend. Financial Regs **3.4** offers the full committee the benefit either to leave the Precept unchanged, decrease or increase depending on the projected reserves being greater or less than the contingency reserve (£10k). A buffer between £10k and £12k would act as a safety margin before any implementation.

- 2 To increase again by £1500 plus an acceptable amount to cover the Grant Applications.

Should the Finance Committee decide to commit to a smaller grants allocation then Option 1 would be my recommendation as we have considerable Reserves at present and can review next year. The costs for adopting the lights have necessitated the probability of three consecutive Precept increases and with reasonable reserves Parishioners will be more understanding to how we cushion the shocks. Disproportionate Reserves would raise questions if not used appropriately.